

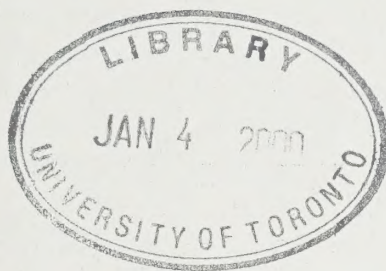
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NOTES



ALTERNATIVE SERVICE DELIVERY IN ONTARIO THE NEW PUBLIC MANAGEMENT

Ray McLellan, Research Officer

Ontario has embarked on a New Public Management initiative referred to as Alternative Service Delivery. The Management Board of Cabinet approved the ASD framework in February 1996. In July the Management Board Secretariat published *Alternative Service Delivery Framework*, and *Guide to Preparing a Business Case for Alternative Service Delivery* to explain ASD and to provide a guide for ministries preparing ASD business cases.

This Note highlights these two documents. A third document in the series, which will address the implementation stage, is being prepared by the Secretariat and is expected in February 1997.

THE NEW PUBLIC MANAGEMENT

Since the 1980s, Westminster-style systems of government have introduced "major changes in organizational designs and managerial practices" which includes such areas as "the design and delivery of public services." Essentially, this approach, commonly referred to as the New Public Management (NPM), has placed "a greater emphasis on performance, an increased focus on responsiveness to citizens and accountability for results." The new paradigm stresses the merits of expenditure restraint, for example, through changes in "the structures,

systems and practices of public management ..."¹ Various provinces are advocating new accountability tools for government administration, such as performance indicators and business plans.²

ASD Practices in Ontario

The ASD concept is not new to the Ontario public service, as some ministries have implemented variations on these techniques since the mid 1980s. However, ASD has now been formalized with a standardized format and central approval process for Ontario ministries.

In 1994, the Progressive Conservatives set out a fiscal and expenditure management agenda in *The Common Sense Revolution* which established the groundwork for public management initiatives with the following proposals:

- a more business-like, results-based approach to what remains in government; and
- greater involvement of the private sector in delivering public services.

¹ Peter Aucoin, *The New Public Management: Canada in Comparative Perspective* (Montreal: The Institute for Research on Public Policy, 1995).

² Evert A. Lindquist, "Information, Parliament, and the New Public Management," *Canadian Parliamentary Review* 19:1 (Spring 1996): 12.

In September 1995 the new government set out its agenda in the Speech From the Throne:

- Government is assessing which of its activities are unnecessary, and which others are best left to individuals, communities, or business.
- Government will pursue alternatives such as partnerships between government and private business, and opening government operations to outside competition.

According to Management Board, "ASD is an important part of the strategy to enable ministries to deliver affordable, accessible and responsive programs and services."³

ASD Framework Document

The ASD *Framework* establishes "the guiding principles, range of service delivery options and selection criteria to help ministries choose the most appropriate delivery option for a particular program." The options discussed include privatization; partnerships; licensing/franchising; external purchase of services; devolution; agencies; and direct delivery by government.

Ministries are to prepare business plans, setting out their restructuring strategies, with proposals on the following:

- the termination of programs;
- the use of alternative approaches to deliver redesigned programs more efficiently and effectively; and
- to continue direct delivery of redesigned programs.

The *Framework* manual sets out guiding principles; the decision tree for program review; criteria for the selection of an alternative delivery option; accountability considerations; ASD options; and the approvals process.

It is not possible to address each of these items in detail. However, for example, the *Framework* provides criteria to identify the optimum delivery option, taking into account public interest, decision-making autonomy, applicability of market forces, cost/benefit analysis, etc.

ASD Guide Document

The ASD *Guide* provides the ministries with the format for selecting cost-effective delivery options. The preparation of a ministry business case is a decision-making requirement for ASD selection which has been described as "a systematic approach to comparing the costs and benefits of current and alternative methods of delivery."⁴

Ministries are now proceeding with the preparation of ASD business cases.

CURRENT ASD RESEARCH

Several external bodies are conducting research on ASD. Projects have been initiated by the Institute of Public Administration of Canada with the KPMG Centre for Government Foundation; the Centre for the Study of State and Market at the University of Toronto; and the Public Management Research Centre of the Public Policy Forum.

³ Ontario, Management Board Secretariat *Alternative Service Delivery Framework* (Toronto: The Secretariat, July 1996): i.

⁴ Ontario, Management Board secretariat, *Guide to Preparing a Business Case for Alternative Service Delivery* (Toronto: The Secretariat, July 1996): preface.